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# **Virginia Enterprise Zones**

## **INSTRUCTION MANUAL FOR ENTERPRISE ZONE AMENDMENT FORM EZ-2**

**Virginia Department of  
Housing and Community Development  
501 North Second Street  
Richmond, VA 23219-1321  
(804) 371-7030**

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## PREFACE

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This manual provides instructions for localities submitting an application for an Enterprise Zone Amendment (Form EZ-2). Before completing the application, **carefully review the contents of this manual.**

Form EZ-2 requires applicants to provide the following types of information based on type of amendment being requested:

	Application Sections That Need to be Completed								
Requesting Amendment To:	I	II	III	IV	V	VI	VII	VIII	IX
Zone Boundary (Additions)	✓	✓	✓				✓	✓	*
Zone Boundary (Deletions)	✓	✓		✓			✓	✓	*
Zone Boundary (Additions and Deletions)	✓	✓	✓	✓			✓	✓	*
Goals, Objectives, Strategies, Actions	✓	IIA			✓		✓	✓	*
Local Incentive Package	✓	IIA				✓	✓	✓	*
Goals, Objectives, Strategies, Actions and Local Incentives	✓	IIA			✓	✓	✓	✓	*
All of the Above	✓	✓	✓	✓	✓	✓	✓	✓	*

\* If Applicable

For additional information on the Virginia Enterprise Zone Program, contact the Community Revitalization and Development Office at 501 North Second Street, Richmond, Virginia 23219 or by calling (804) 371-7030.

### DEPARTMENT CONTACT PERSONS

Louellen Brumgard  
Associate Director

Michele DeWitt  
Program Manager

## **PART I. PROGRAM OVERVIEW**

The Virginia Department of Housing and Community Development's (DHCD) Community Revitalization and Development Office administers the Enterprise Zone program guided by state Enterprise Zone Program regulations. These regulations establish the criteria and procedures for the designation, amendment, and administration of enterprise zones along with qualification criteria for participating businesses.

Although the Department of Housing and Community Development administers the program, the determination of local economic development objectives, selection and amendment of incentives, management and marketing the local program to make it more effective is the responsibility of local government. The process of amending existing Enterprise Zone program boundaries and program content is an important one. This document provides guidelines for the amendment process.

## **PART II. GENERAL REQUIREMENTS**

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### **A. BOUNDARY AND SIZE REQUIREMENTS**

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#### **1. Zone Boundaries – Sub zones**

An enterprise zone in any county, city or town may include a noncontiguous area. For example, any **one** enterprise zone consisting of a single locality may include an area (a sub zone) that is not contiguous and each participating locality in a joint zone may also have a non-contiguous sub zone. All zones, including non-contiguous areas, must meet the distress criteria and conform to size limits outlined below. A sub zone may **not** consist only of a site for a single business firm.

Only one enterprise zone in a locality may have a sub zone.

Areas proposed for enterprise zone designation should also include significant investment opportunities (e.g., undeveloped land, vacant buildings and underutilized facilities) capable of attracting private sector investment into the area.

#### **2. Distress Criteria**

A proposed zone boundary amendment **must meet at least one of the criteria** described below. Tract level data from the 2000 U. S. Census must be used. Sources of census data are listed in Appendix A. If a proposed enterprise zone includes only part of a census tract, data for the entire tract must be used in determining eligibility. In the case of a joint application, the portion of the zone in each jurisdiction must meet at least one of the criteria.

Income Criteria: **Twenty-five percent** or more of the households within the proposed zone must have incomes below **80 percent** of the median household income of the county or city in which the zone is located.

Unemployment Criteria: The unemployment rate of the civilian labor force within the proposed zone must have been at least **1.5 times the rate for the entire State** (contact DHCD for the unemployment rate).

**NOTE:** In order to meet the distress criteria relating to poverty or unemployment, a zone must include some residential areas.

Industrial/Commercial Vacancy Rate: The floor area vacancy rate of commercial and/or industrial properties in the proposed zone must be **20 percent or more**.

#### **3. Zone Size Limits**

The Program Regulations set out size limits for enterprise zones and have been established for Metropolitan Central Cities (large cities); towns and cities other than Metropolitan Central cities (smaller urban areas); unincorporated areas of counties (lower density urban and rural areas); and consolidated cities. These are shown below. In a joint application, the portion of the zone proposed in each jurisdiction must conform to the appropriate size limits.

#### Metropolitan Central Cities

- a. **Minimum:** ½ square mile (320 acres).
- b. **Maximum:** 1 square mile (640 acres) with the following EXCEPTIONS:
  - i. the zone may be larger than one square mile provided that it does not exceed seven percent of the locality's land area; or
  - ii. the zone may be larger than one square mile provided that it does not encompass more than seven percent of the locality's total population.

The largest area delineated by any of these three options will constitute the maximum size of a proposed zone.

#### Towns and Cities (other than Metropolitan Central Cities)

- a. **Minimum:** 1/4 square mile (160 acres).
- b. **Maximum:** ½ square mile (320 acres) with the following EXCEPTIONS:
  - i. it may be larger than one-half square mile provided that it does not exceed seven percent of the locality's land area; or
  - ii. it may be larger than one-half square mile provided that it does not encompass more than seven percent of the locality's total population.

The largest area delineated by any of these three options will constitute the maximum size of a proposed zone.

#### Unincorporated Areas of Counties

- a. **Minimum:** ½ square mile (320 acres).
- b. **Maximum:** 6 square miles (approximately 3,840 acres).

#### Cities Formed Through Consolidation

Zones in cities where the present boundaries have been created through the consolidation of a city and county (Chesapeake, Hampton, Virginia Beach) or the consolidation of two cities (Newport News, Richmond, Suffolk), must conform to the minimum and maximum size guidelines for zones in unincorporated areas of counties.

## **B. LOCAL ENTERPRISE ZONE INCENTIVES**

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Local incentives are a critical part of the enterprise zone program and they should be selected carefully. There are a wide variety of incentives that localities can offer; however, it is up to the locality to determine the mix of incentives that will assist them in overcoming the barriers to development within their zone. The number of incentives a community has is not as important as having incentives that are specifically targeted to addressing identified barriers.

### **1. Role of Local Incentives**

The concept of enterprise zones is to create an improved climate for private business development and expansion by overcoming development barriers. This can be achieved through actions that (i) reduce start-up costs for new firms, (ii) reduce the ongoing costs of doing business for both new and existing firms, and (iii) improve the overall physical and social conditions within the zone in order to produce an environment conducive to business operations.

### **2. Types of Local Incentives**

An incentive is any type of regulatory reform, tax reduction or exemption, service improvement, resource commitment or other activity intended to stimulate private sector investment or revitalization. A local government may propose virtually any type of incentive permissible under federal and state law, provided that the incentive is targeted to the zone. An incentive that is available throughout a locality **may not** be regarded as an enterprise zone incentive unless special actions are taken to encourage greater utilization of the incentive within the proposed zone than would otherwise be expected. Local governments provide a variety of financial and non-financial incentives to encourage economic growth and investment. The following list is not inclusive but serves as an example of the most frequently offered local enterprise zone incentives:

Local Enterprise Zone Development Taxation Program: §58.1-3245.6 through §58.1-3245.11 of the Code of Virginia enables designated zone localities to establish a Local Enterprise Zone Development Taxation Program. Incremental tax revenues generated from real property or machinery and tools, or both can be used to establish an enterprise zone development fund to pay for enhancements to government services that promote economic development.

Tax Exemption: §58.1-3221 of the Code of Virginia enables localities to defer the taxes on the increase in assessed value as a result of the rehabilitation of real estate for structures at least 15 years of age in enterprise zones and 20 years of age elsewhere in the jurisdiction.

Local Tax Rebates: business occupational license fees, local sales tax on items purchased in the community for conduct and trade of business in the enterprise zone.

Business Loans: facade improvement loans for both commercial and industrial properties, low interest loan funds for start-up and expansion, revolving loan funds composed of local and private funding sources.

Housing Loans: down payment assistance, single family housing loans, single family housing and multi-family rehab loans.

Fee Waivers: permit fees, sewer and water tap fees, utility fees.

Public Improvements: highways, streets, sidewalks, water and sewer systems, signage, etc.

Job Training: targeted training programs to meet business needs.

Non-financial: expedited permitting, loan-packaging assistance, and design assistance.

### **3. Suggested Rationale to Use When Developing Local Enterprise Zone Incentives**

- a. Use incentives to accomplish a plan. Incentives should be directly linked to actions that are consistent with local enterprise zone revitalization and development goals.
- b. Establish performance baselines that provide a threshold for qualification. Incentives should reward firms that make a commitment to invest in a zone by creating new jobs or investment or a combination of both.
- c. Structure incentives to facilitate monitoring of the amount of benefits used by individuals and businesses.
- d. Incentives should represent sound fiscal policy.

### **4. Conditions on the Availability of Local Incentives**

A locality may establish conditions on the availability of such incentives. For example, a locality may provide a three-year utility tax exemption for new or expanding firms or restrict the availability of low-interest business loans to new firms that agree to meet certain hiring requirements.

## **5. Local Assigned Agents**

A locality may propose that incentives be provided by an assigned agent such as a local redevelopment and housing authority, a non-profit entity or a private for-profit entity. These incentives should be documented by a written commitment from the agent.

## **6. Non-Use of Incentives and Zone Termination**

Section §59.1-284 of the Virginia Enterprise Zone Act describes two circumstances that can result in the termination of a designated zone. The first is in the event that the local government or an assigned agent is unable or unwilling to provide incentives as proposed in the application for zone designation. This is avoidable if the applicant is able to amend the application by substituting an incentive that is equal or superior to the incentive originally approved.

The second is in the event of not having any business firms in an enterprise zone qualified for state incentives within a five-year period.



## C. **AMENDMENT APPLICATION SUBMITTAL INFORMATION**

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### 1. **Public Hearing Requirement**

A local governing body must hold at least one public hearing on an Application for Enterprise Zone Amendment (FORM EZ-2) prior to its submission to the DHCD. For **joint applications**, each participating local governing body must hold a public hearing **only if** the amendment directly impacts that locality. A joint public hearing is acceptable. Requirements for conducting public hearings are stated in §15.1-431, Code of Virginia (**Appendix D**).

### 2. **Application Submittal**

- a. An application for enterprise zone amendment must be submitted on Form EZ-2. All questions are to be answered on the form unless otherwise specified.
- b. Attachments will not be accepted, except where specifically requested on Form EZ-2 or in this manual. All applications for enterprise zone amendment should be typewritten. Applications are available on disk or by e-mail and can be obtained by calling DHCD at (804) 371-7030.
- c. In the case of a boundary amendment that involves the elimination of designated area(s), the local governing body must **separately notify each property owner and each business owner located within the area of the proposed deletion two weeks prior to holding the public hearing**. Publication of an ad in the local newspaper does not, by itself, meet this requirement but may be used as an additional form of notification.
- d. Amendment applications involving either additions or deletion of enterprise zone areas must include a copy of the minutes from the public hearing on the amendment.
- e. An original and one (1) copy of the completed application for Enterprise Zone Amendment (Form EZ-2) including all attachments and one additional copy of **Attachment EZ-2-Map A**, should be submitted to:

Michele DeWitt  
Department of Housing and Community Development  
501 North Second Street  
Richmond, Virginia 23219-1321

## PART III.

### Instructions for Completing an Application for Enterprise Zone Amendment (FORM EZ-2)

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#### SECTION I. ADMINISTRATIVE INFORMATION

The administrative information will be used to identify the type of application that is being submitted, the eligibility of the applicant(s) and who will be responsible for local administration of the program.

A. Locality: Enter the name of the locality that is submitting the application. For **joint applications**, enter the name of the jurisdiction that is assuming the role of program administrator.

B. Date: Provide the date on which the application is submitted to the Department.

C. Chief Administrator and Phone Number: Enter the name and phone number of the chief administrator of the locality submitting the application. If the locality does not have a chief administrator, provide the name and phone number of the clerk to the town council or county board of supervisors. For **joint applications**, enter the name and phone number of the chief administrator or clerk of the jurisdiction that will act as program administrator.

D. Designated Contact Person and Phone Number: Enter the name and phone number of the person that DHCD staff may contact for information about the amendment application.

E. Address: Enter the address of the office of the chief administrator (or clerk). For **joint applications**, enter the address of the office of the chief administrator (or clerk) of the local governing body acting as program administrator.

F. Application Type: Indicate the type of application that is being submitted by checking either "single application" or "joint application." A single application is one submitted by the local governing body of any county, city or town on its own behalf to amend an enterprise program located entirely within its jurisdiction. A joint application is one submitted by two or more adjacent jurisdictions to amend an enterprise zone program located partially in each of the jurisdictions submitting the application.

G. Other Participating Localities: List the names of other participating jurisdictions. Form EZ-2-JA (Joint Amendment Application Agreement) must also be attached to the application. One copy of Form EZ-2-JA must be completed by each jurisdiction participating in a joint application (See Section IX).

H. Annual Reports: Applicants must be current on the submission of their local Enterprise Zone Annual Reports before an amendment application will be considered by DHCD.

## SECTION II. BACKGROUND INFORMATION

Section II requests relevant background information and demographic data, maps and land use.

A. Purpose of Amendment: Check the type of amendment proposed and briefly explain why the amendment is being requested and what is to be accomplished by its approval.

B. Location and Boundaries: Provide a list of all 2000 U. S. Census tracts comprising the **current enterprise zone area and the zone area to be added and/or deleted** according to the census tracts in which they are located. If only a portion of a tract is included in the current area or area to be deleted, list the tract followed by an asterisk to indicate that it is a partial tract. In a joint application, indicate the locality in which each tract is located. Sources of 2000 U.S. Census data are provided in **Appendix A**.

C. Housing and Population Characteristics: Official 2000 U.S. Census data must be used to complete Part II. Data must be provided for all 2000 census tracts encompassing the current enterprise zone and for areas to be added of deleted. If only a portion of a tract is included in the current zone boundary or expanded zone boundary, data for the entire tract must be used for determining eligibility. Provide the following information:

1. Total Population: Provide the total population of the 2000 Census tracts encompassing the current enterprise zone area and the zone area to be added and/or deleted.
2. Total Households: Provide the total number of households within the 2000 Census tracts encompassing the current enterprise zone area and the zone area to be added and/or deleted.
3. Total Civilian Labor Force: Provide the total civilian labor force within the 2000 Census tracts encompassing the current enterprise zone area and the zone area to be added and/or deleted.
4. Number of Civilian Labor Force Unemployed: Provide the number of civilian labor force members unemployed within the 2000 Census tracts encompassing the current enterprise zone area and the zone area to be added and/or deleted. In the case of a joint application involving two or more counties and cities, provide the requested information for the portion of the current enterprise zone area and the zone area to be added and/or deleted in each participating locality.
5. Percent of Civilian Labor Force Unemployed: Provide the percent of civilian labor force members unemployed within the 2000 Census tracts encompassing the enterprise zone and expanded zone area. In the case of a joint application involving two or more counties and cities, provide the requested information for the portion of the zone in each participating jurisdiction.

$$\begin{array}{ccccc} \text{Percent of Civilian} & & \text{Number of Civilian} & & \text{Total} \\ \text{Labor Force Members} & = & \text{Labor Force Members} & \div & \text{Civilian} \\ \text{Unemployed} & & \text{Unemployed} & & \text{Labor Force} \\ \text{(C-5)} & & \text{(C-4)} & & \text{(C-3)} \end{array} \times 100$$

**NOTE:** For joint application, the total civilian labor force (Item C-3) within the current zone area and the area to be added and/or deleted must be separated into the civilian labor force within the portion of the zone lying in each participating jurisdiction, prior to making the above calculation.

6. Median Household Income: Provide the median household income of the entire county or city in which the current enterprise zone area and the zone area to be added and/or deleted is located. A town should provide the appropriate figure for the county in which it is located. In the case of a joint application involving two or more counties and cities, provide the median household income for each participating county and city. Be sure to indicate which income figure applies to each jurisdiction.

7. Number of Households Below Median: Provide the number of households within the 2000 Census tracts encompassing the current enterprise zone area and the zone area to be added and/or deleted which has **incomes below 80 percent of the median** household income for the entire county or city. In the case of a joint application involving two or more counties or cities, provide the requested information for the portion of the current enterprise zone area and the zone area to be added and/or deleted in each participating jurisdiction.

8. Percent of Households Below Median: Provide the percent of households within the 2000 Census tracts encompassing the current zone and expanded/deleted zone area that **had incomes below 80 percent of the median** household income for the city or county in which the zone is located. In the case of a joint application, involving two or more cities and counties, provide the requested information for the enterprise zone in each participating jurisdiction.

$$\begin{array}{rclclcl} \text{Percent of households} & & & & \text{Total households} & & \\ \text{in Zone with incomes} & = & \text{Number of households} & \div & \text{in Zone} & \times & 100 \\ \text{below 80\% of area} & & \text{in Zone with incomes} & & \text{(C-2)} & & \\ \text{median (C-8)} & & \text{below 80\% of median} & & & & \\ & & \text{(C-7)} & & & & \end{array}$$

**NOTE:** For joint applications, the total number of households in the current zone and the zone area to be added and/or deleted (Item C-2), must be separated into the number of households in the portion of the zone lying in each participating jurisdiction, prior to making the above calculation. A methodology for calculating this information is provided in **Appendix B**.

D. Floor Vacancy Rate. Complete this item only if the applicant chooses to meet the distress criteria requirement through the **20 percent** floor vacancy rate in industrial and/or commercial property option. Commercial and industrial vacancy rates may be available through real estate firms, but are not generally broken down by Census tracts. **Applicants choosing this distress criteria must have a survey and analysis of vacancy rates completed by the local Planning District Commission. Attach the methodology** used to calculate the rate.

E. Land Area:

1. Enter the size (in acres) of the current enterprise zone.
2. Enter the size (in acres) of the area to be added and /or deleted. If the jurisdiction is not expanding or deleting zone boundaries, enter N/A.

3. If the applicant is a city or town is calculating zone size based on **7 percent** of the **jurisdiction's land area**, give the jurisdiction's total land area in acres and results of the 7 percent calculation. If the applicant is not using this option, enter N/A.
4. If the applicant is a city or town is calculating zone size based on **7 percent** of the **jurisdiction's population**, give the jurisdiction's total population (2000 Census) and the results of the 7 percent calculation. If the applicant is not using this option, enter N/A.

F. Map Requirements: The following maps must be included as attachments to this application:

- a. A map of the locality showing the location of the enterprise zone area indicating the current boundaries and proposed boundaries. **Label this map Attachment EZ-2-Map A.** Please indicate the current zone boundary with a **solid line**, the proposed expansion area with a **dashed line**. If an area is to be deleted please shade this area. If there are areas within the proposed zone (specific neighborhoods, industrial parks, commercial centers) that will be discussed in the application, identify these areas on the map.
- b. A map of the current enterprise zone boundary and the zone area to be added and/or deleted indicating the existing land use characteristics according to the following classifications:

Privately-Held Land

Business/Commercial  
Industrial  
Institutional  
Single-family residential  
Multi-family  
Agriculture  
Parking

Publicly-Held Land

State/Federal Land  
Local Publicly owned land in use  
Unused local public land  
Parks & Recreational Areas  
Parking

Indicate on this map total zone acreage and the approximate number of acres devoted to each type of use. **Label this map Attachment EZ-2-Map B.**

- c. A map of the enterprise zone and expanded/deleted area identifying the boundaries of existing zoning districts. **Label this map Attachment EZ-2-Map C.** (If the area is not zoned, this map need not be provided.)

### SECTION III. JUSTIFICATION FOR BOUNDARY ADDITIONS

It is important to make boundary changes strategically. Expansion of the boundary of an existing enterprise zone should enhance the success of addressing the barriers and obstacles to development and revitalization and/or build upon existing strengths and create new opportunities for change. Please discuss various topics by using specific or clearly defined topic headings for example economic factors, physical factors, etc. (One additional page may be attached).

A. Conditions in the Expanded Area: Explain the relationship of the expanded zone area to the rest of the locality. Describe the current conditions within the expanded zone area emphasizing economic, physical, and social factors unique to that area. Discuss historical trends as well as recent changes influencing current conditions and identify the area's development strengths. Compare the magnitude and direction of the changes that have occurred in the area to those in the locality at large. Trends should be documented and quantified whenever possible.

B. Non-physical Barriers: Describe only the current non-physical conditions within the expanded zone area that are barriers that impact on development and revitalization. Emphasize the non-physical barriers such as crime rates or the perception of high crime rates, the low job skill levels of zone residents, the limited educational background of zone residents, perceived negative images of the area which cause property owners to delay investment, and other non-physical issues and weaknesses.

C. Physical Deficiencies: Describe only the physical deficiencies in the expanded zone area including but not limited to public infrastructure, community facilities, commercial and industrial facilities, and housing stock. Examples might include inadequate water and sewer, inadequate school facilities, obsolete industrial facilities, dilapidated commercial structures and inadequate housing stock. Limit discussion to only those deficiencies that hinder and create a barrier to private commercial, industrial or residential development.

D. Local Revitalization Efforts: Briefly describe the community or economic development revitalization activities, public and private, which have occurred within the last five years in the expanded zone area. Do not include services and infrastructure improvements that have been generally provided throughout the locality unless there is a direct impact or correlation on revitalization in the expanded area.

List any programs or activities that are specifically aimed at improving economic, physical or social conditions, including by private or nonprofit organizations. If no major public or private initiatives have been undertaken, indicate this with the word "none." **(One additional page may be attached if necessary)**

E. Relationship to Local Community and Economic Development Strategies: Describe how this enterprise zone amendment fits into the locality's overall community and economic development strategy. Focus on existing comprehensive, area or neighborhood plans or internal policies. Describe how the amended zone will enhance the locality's existing plans for the area. **(One additional page may be attached)**

## SECTION IV. JUSTIFICATION FOR BOUNDARY DELETIONS

The decision to delete portions of existing zones is an important one due to the potential impact on property and business owners and on the overall revitalization of the deleted area. While the decision to delete existing zone areas might be a practical one, DHCD will require assurance that the applicant has based their decision on reasonable and careful consideration.

A. Purpose of Boundary Deletion: Discuss the rationale for the boundary deletion and the process by which the decision was made including an assessment of the overall benefit to the locality. Identify the number of property and business owners in the deleted area and how they were notified of the decision. Summarize any comments received from these owners as well as comments received as a result of the required public hearing (a copy of the minutes of this hearing must be attached to the application.)

B. Impact of Boundary Deletion: Discuss the impact of the decision on the revitalization efforts of the area to be deleted. Identify future plans for the area.

## SECTION V. GOALS, OBJECTIVES, STRATEGIES AND ACTIONS

The amendment application should provide guidance and coordination for public and private sector activities and investments. The locality should include other public and private partners in the development of the goals, objectives, strategies and actions (GOSAs) for the application since they may have on-going investment activities in the zone. **For amendment applications that expand zone boundaries, include GOSAs for the expanded area only.**

A. Goals, Objectives, Strategies and Actions (GOSAs): GOSAs help coordinate and maximize zone resources. Although enterprise zones are designated for a period of 20 years, many of the GOSAs should focus on a five-year time frame. GOSAs should be reflective of the resources identified in Section IIID (See examples in **Appendix E**). GOSAs are defined as follows:

Goals - Succinct statements that communicate what is to be desired or what is to be achieved. They should not be open-ended statements such as “to enhance the business climate” or “to increase economic prosperity” and should be useful, such as “attract and facilitate the establishment of new manufacturing firms” or “prevent the out-migration of area residents and business owners.”

Objectives - Objectives set quantified performance targets to be accomplished over a period of time; they act as benchmarks or points of progress that aid in decision- making and evaluation. Objectives illustrate how the locality will coordinate and maximize resources.

Strategies - Extensions of goals and objectives and present specific approaches and definitions of what is to be accomplished.

Actions - Steps necessary to carry out strategies.

B. Implementation Schedule: The goals, objectives, strategies and actions will document the roles and responsibilities of the participants, set schedules and establish standards for measuring the progress made in overcoming zone barriers. The implementation schedule should identify the agency(s) and organization(s) that will be responsible for overseeing, coordinating and evaluating progress toward achieving goals and objectives.

C. Revisions to the Implementation Schedule: Describe the process for regularly updating the implementation schedule to reflect new information and opportunities.

## SECTION VI. LOCAL INCENTIVES

A. Modifications of Existing Local Enterprise Zone Incentives: Discuss the need to modify a local incentive(s) and what aspect(s) is/are being modified (i.e. the provider, limitation of availability or applicability, funding, or time period the incentive is being offered).

**Note:** The time period of availability may be extended but **cannot be shortened** unless the incentive is replaced with another incentive of equal or greater value.

B. Deleting Local Enterprise Zone Incentives: Enter the original number and name of the incentive as it appears in the zone designation application. Provide a justification for deleting the incentive. Explain the rationale and basis for the deletion and indicate whether it is being replaced by an additional incentive. Follow the format provided in the application. It may be reproduced to accommodate greater numbers of incentives.

Local incentives can be deleted if replaced by incentives that are equal or superior to those in the current or if the cumulative incentive package proposed is equal to or greater than those in the current application. Consult your DHCD representative during the completion of the application if you are considering incentive deletions. Please number pages VIB-1, VIB-2, etc if additional pages are needed.



C. Adding Local Enterprise Zone Incentives: The format provided in the application must be followed and may be reproduced to accommodate greater numbers of incentives. Please number pages VIC-1, VIC-2, etc if additional pages are needed.

Incentive: Enter the number and name of the incentive

Impact: Explain the anticipated impact of the addition of the incentive on economic development and revitalization efforts. Include impact on barriers or opportunities for private sector investment and development and on the goals and objectives described in Section V.

Provider: Identify the organization or entity that has primary responsibility for implementing the incentive. If the applicant itself is to be the provider, so indicate with the word "applicant" or, in the case of a joint application, with the name of the appropriate locality. If an assigned agent is to be the provider, indicate the name of the organization or entity and if a formal signed agreement exists. A local redevelopment or housing authority, industrial development authority, school board or other independent or semi-independent agency will be considered an assigned agent.

Limitations: List any local limitations on the eligibility of businesses or residents of the zone to receive the incentive. An example of such a limitation would be one that required a business to undertake a set amount of real property improvements or create a specific number of jobs in order to receive a local incentive. If there are no eligibility requirements, or if the incentive involves service improvements, capital expenditures or other actions that benefit all the businesses and residents within the zone, indicate with the word "none."

Period of Availability: Indicate the time period for which the incentive will be made available (such as "entire life of zone" and "first five years of zone operation"). In the case of public improvements, and capital expenditures that will be available from the time of implementation through the remaining life of the zone, give the estimated time of the availability ("year 3 through 20 of zone operation").

Source of Funds: Provide the source funds needed to implement the incentive (e.g., "local general funds, " "local revenue bonds" or "Community Development Block Grant"). For local revenues, indicate whether funds have been appropriated. For other sources, indicate the status of fund availability ("grant received" and "application pending"). If the incentive does not involve direct expenditures (regulatory and tax relief), indicate this with the word "none."

Effective Date: Indicate when the incentive will be implemented, for example "upon zone designation" and "in fiscal year 2005." If a local ordinance or other formal approval by a board, commission or other local, state or federal body is required to implement the incentive, indicate its status

## **SECTION VII. LOCAL MANAGEMENT CAPACITY**

The primary discussion should revolve around the department/agency/organization that will have the overall responsibility for the zone's administration but should also include the role of the local enterprise zone association (LEZA), if one exists.

Local Management Capacity: Describe how the zone will be administered, managed and marketed by the locality and the organizational structure for administration and marketing. Also describe how monitoring of the GOSAs will be a part of the overall administration of the zone and who or what organization in the management structure will have specific responsibility for monitoring and performance measuring. **(One additional page may be attached if needed).**

## SECTION VIII. LOCAL ASSURANCES

A. Local Assurances and Authorizations: This section is used to certify understandings, commitments and conditions concerning the enterprise zone.

**Locality**: Enter the name of the locality submitting the application. **If this is a joint application**, enter the name of the locality acting as program administrator.

**Chief Administrator and Title**: Enter the signature and title of the chief administrator of the locality submitting the application. If it does not have a chief administrator, enter the signature and title of the clerk to the town council or county board of supervisors. For **joint applications**, provide the signature and title of the chief administrator (or clerk) of the jurisdiction that is acting as program administrator.

**Date**: Provide the date on which the public hearing was held for the enterprise zone amendment. Include a copy of the public hearing minutes. For **joint applications**, a public hearing is only required by a participating locality when the amendment directly impacts that locality.

**Resolution**: All amendment applications must include a certified resolution of the local governing body. For **joint applications**, include certified resolutions of each local governing body (See Appendix C).

## **SECTION IX. INSTRUCTIONS FOR COMPLETING A JOINT AMENDMENT APPLICATION AGREEMENT**

Each jurisdiction participating in a joint application, other than the one acting as program administrator, must complete Form EZ.-2-JA provided in the amendment application. The local assurance and authorizations requested on Form EZ-2-JA will be used to assure that the applicant is in agreement with the other participating localities in filing the amendment application, and agrees to comply with all program requirements.

**Locality:** Enter the name of the locality submitting the joint application agreement.

**Chief Administrator and Title:** Enter the signature and title of the chief administrator of the locality participating in the joint application. If it does not have a chief administrator, enter the signature of the clerk to the town council or county board of supervisors.

**Date:** Provide the date on which the Joint Amendment Application Agreement is signed by the chief administrator or clerk. This agreement must be provided in addition to a resolution from each jurisdiction participating in a joint amendment application.

# APPENDICES

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# APPENDIX A

## SOURCES FOR U. S. CENSUS DATA

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### Virginia Planning District Commissions

Mr. Harris Bibbs  
Center on Rural Development  
Virginia Department of  
Housing and Community Development  
501 North Second Street  
Richmond, VA 23219-1321  
(804) 371-7078

Mr. Larry E. Robinson  
State Data Center  
Virginia Employment Commission  
Post Office Box 1358  
Richmond, VA 23211  
(804) 786-8624

Mr. Mike Spar  
Center for Public Service  
Dynamics Building  
2015 Ivy Road, 4th Floor  
Charlottesville, VA 22903  
(804) 982-5522

Ms. Mary Clark  
Virginia State Library  
11th Street at Capitol Square  
Richmond, VA 23219  
(804) 786-8929

Data User Services Division  
Customer Services Branch  
Bureau of the Census, Room 326  
Washington Plaza  
Washington, D.C. 20233 (301) 457-4100

## APPENDIX B

### METHODOLOGY FOR CALCULATING THE NUMBER OF HOUSEHOLDS WITH INCOMES BELOW 80 percent OF MEDIAN

**Step 1:** Calculate 80% of median household income.

$$\begin{array}{rcll} 80\% \text{ of Median} & = & \begin{array}{l} \text{Median Household Income} \\ \text{Household Income for} \\ \text{Entire City or County} \\ \text{(Item E, Part III)} \end{array} & \times .8 \end{array}$$

Steps 2 through 4: CALCULATE THE NUMBER OF HOUSEHOLDS WITH INCOMES BELOW 80% OF MEDIAN.

**Step 2:** To determine the number of households with incomes below 80 percent of the median for the entire county or city, first identify the income classes which fall completely below the median (figure calculated in Step 1), and sum the number of households reported in each of these income classes.

#### EXAMPLE:

The following information is provided in the 2000 Census for one of the tracts within a proposed enterprise zone. The 2000 Census reports that the median household income for the entire jurisdiction is \$21,643. (Note: \$12,778 is the median household income for the tract).

INCOME CLASS	HOUSEHOLDS
LESS THAN \$2,500	43
\$2,500 to \$4,999	60
\$5,000 to \$7,499	47
\$7,500 to \$9,999	72
\$10,000 to \$12,499	63
\$12,500 to \$14,999	45
\$15,000 to \$17,499	38
\$17,500 to \$19,999	54
\$20,000 to \$22,499	28
\$22,500 to \$24,999	24
\$25,000 to \$27,499	26
\$27,500 to \$29,999	15
\$30,000 to \$34,999	37
\$35,000 to \$39,999	6
\$40,000 to \$49,999	14
\$50,000 to \$74,999	2
\$75,000 OR MORE	6
MEDIAN	\$12,778
MEAN	\$15,643

In this example, 80 percent of the median income for the entire jurisdiction is \$17,314.

$$\$17,314 = \$21,643 \times .8$$

The income classes which fall below \$17,314 are "Less than \$2,500" through "\$12,500 to \$14,999." The total number of households reported as having incomes within these income classes is 330.

$$330 = 43 + 60 + 47 + 72 + 63 + 45$$

**Step 3:** Next, identify the number of households reported in the income class containing the figure calculated in Step 1. Calculate the number of households whose income was below 80 percent of the median, using the following formula:

Number of Households in Income Class with Incomes Below 80% of Median	=	80% of Median Income for Entire City or County	-	Smallest Figure in Income Class	x	Number of Households Smallest Figure in Income Class
		Largest Figure in Income Class	-			

**EXAMPLE:** Continuing the example begun in Step 2, the income class containing \$17,314 is "\$15,000 to \$17,499." The number of households in this income range is 38. The number of these households with income below \$17,314 is 35.

$$35 = \frac{\$17,314 - \$15,000}{\$17,499 - \$15,000} \times 38$$

**Step 4:** To determine the total number of households with incomes below 80 percent of median, sum the results of Steps 2 and 3.

**EXAMPLE:** Continuing the example begun in Steps 2 and 3, the total number of households with incomes below \$17,314 is 365.

$$365 = 330 + 35$$

**Step 5:** Repeat Steps 2 and through 4 for each 2000 Census Tracts encompassing the proposed enterprise zone and sum the results. (Item F-2, Part III of Application)

# **APPENDIX C**

## **RESOLUTION REQUIREMENTS**

### **Single Application**

Resolutions accompanying single applications for enterprise zone designation should state that:

1. The local governing body is applying for enterprise zone designation; and
2. The local governing body authorizes its chief administrator (or clerk where there is no chief administrator) to submit all information needed to apply for zone designation and to meet other program administrative and reporting requirements.

### **Joint Application** (Separate Resolutions Required of Each Participating Locality).

Resolutions accompanying joint applications for enterprise zone amendments should state that:

1. The local governing body is applying for enterprise zone amendments jointly with other localities (provide names);
2. One jurisdiction (provide name) is designated to act as program administrator.
3. The local governing body authorizes the chief administrator (or clerk) of the jurisdiction acting as program administrator to submit all information needed to apply for enterprise zone amendments and to carry out all program administrative and reporting requirements on its behalf.



# **APPENDIX D**

## **PUBLIC HEARING ADVERTISEMENT**

- 1.) Ads must be published once a week for two consecutive weeks in a newspaper of general circulation.
- 2.) The final advertisement cannot be less than six days nor more than twenty-one days prior to the hearing.
- 3.) The ad must give the time, date, and location of the hearing.

# APPENDIX E

## Examples of Goals, Objectives, Strategies and Actions

<p><b>GOAL:</b> Attract and facilitate the establishment of new commercial and manufacturing firms.</p> <p><b>Objective:</b> <i>Create 200 new manufacturing and 50 commercial jobs within five (5) years.</i></p> <p><b>Strategy 1:</b> Develop the required public facilities and services to attract commercial and manufacturing activity.</p> <p>Action A: Commit \$3 million over four years to improve roadways, sidewalks, sewer, water, electrical, telephone and computer services.</p> <p>Action B: Establish within one year a electronic database on all available property and building sites.</p> <p>Action C: Create within one year a streamlined development plan review and permitting process.</p> <p><b>Strategy 2:</b> Provide the necessary technical assistance and access to funding for commercial and manufacturing development.</p> <p>Action A: Establish a \$500,000 Revolving Loan Fund within two years by leveraging public \$100,000 CDBG funds with \$400,000 in bank consortium funding; provide a minimum of 10 loans over 3-years.</p> <p>Action B: Create a business technical assistance program with the local community college to provide training regarding developing business plans, inventory control, marketing, and accounting; assist at least 20 persons per year.</p> <p>Action C: Develop a technology transfer program within two-years between the university, area manufactures and entrepreneurs; cultivate 3 new firms over 3-years.</p> <p><b>Strategy 3:</b> Attract 4 small entrepreneurial manufacturers to the area in the next five-years, creating 30 new jobs.</p> <p>Action A: Within one year, the State, City, the Chamber of Commerce, the Community College and university will provide technical and informational services aimed at promoting entrepreneurship development.</p>	<p><b>GOAL:</b> Prevent the out migration of area residents and business owners.</p> <p><b>Objective:</b> <i>Within three years improve security, homeownership and business retention activities in the area.</i></p> <p><b>Strategy 1:</b> Improve area and neighborhood security.</p> <p>Action A: Establish two neighborhood police store fronts within two years.</p> <p>Action B: Set aside the sales tax generated in the area to hire six additional police officers in two years to exclusively patrol the area.</p> <p><b>Strategy 2:</b> Stimulate neighborhood revitalization through new construction and substantial rehabilitation.</p> <p>Action A: Create a \$500,000 Construction Revolving Loan Fund within two-years leveraging \$200,000 in CDBG funds, \$200,000 from lending institutions and \$100,000 from philanthropic grants. The fund will be used to provide low interest construction financing to developers for substantial rehabilitation of downtown commercial mixed use structures and new construction of affordable for-sale housing adjacent to the downtown. Provide a minimum of 10 loans over 3-years.</p> <p>Action B: Within one year establish a public/private organization composed of representatives from various city departments and area residents to work with local banks to develop effective CRA policies for the area.</p> <p>Action C: Within two years establish a database of all vacant housing and create a urban homestead program to promote homeownership for first-time low/mod income homebuyers.</p> <p><b>Strategy 3:</b> Create a proactive business retention and attraction program.</p> <p>Action A: Conduct a survey of all area businesses within one and a half years to determine area business needs.</p> <p>Action B: Conduct a survey of area residents within one and a half years to determine resident business service needs.</p>
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